

KANSAS RACING AND GAMING COMMISSION

MINUTES – OCTOBER 15, 2021

CALL TO ORDER (A.)

Chairman David Moses called the October 15, 2021, meeting to order at 9:03 a.m. The meeting was held via teleconference. Notice of this teleconference was given to the public via the KRGC and Public Square websites. Commissioners Brandon Jones, Kelly Kultala, Dave Myres and Larry Turnquist were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Security Roger Bailey, and other staff.

MOTION, APPROVE AGENDA (B.)

Commissioner Jones (Kultala) moved to approve the agenda. Motion carried 5-0.

MOTION, APPROVE September 10, 2021 MEETING MINUTES (C.)

Commissioner Myres (Jones) moved to approve the minutes of the September 10, 2021 meeting. Motion carried 5-0.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Kultala (Turnquist) moved to approve the consent agenda (four items). Motion carried 5-0.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- September 2021 revenue numbers compared to September 2020:
 - Total gaming revenue up 25.03%
 - Total slot revenue up 25.80%
 - Table games revenue up 18.37%
- Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - \$100,000 Pigskin Spin Hot Seats
 - Labor Day Buffet
 - VIP Labor Day Free Play Frenzy Kiosk
 - JackO's Money Maze Hot Seats
 - VIP Promotions
 - Come Sail Away VIP Cruise Event

- Plant Appreciation Month
- Responsible Gaming Education Week
- Carden International Circus, September 18
- Banda El Recodo, October 15
- Jeff Dunham, October 22
- KSHSAA State Volleyball Tournament, October 29
- Boot Hill Casino's COVID-19 precautions and the impact on staff and patrons

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Jeff Babinski, Vice President and General Manager, reported:

- Admissions down 2.2% compared to September 2020
- September 2021 revenue numbers compared to September 2020:
 - Total gross gaming revenue down 3.3%
 - Slot coin-in down 5.0%
 - Slot hold down 0.44 pts
 - Table games drop up 33.8%
 - Table games hold up 2.6 pts
- Past Events and Promotions:
 - Rock of the 70's, September 4
 - Wichita Flea Market, September 18-19
 - Air Supply, September 25
- Upcoming Events and Promotions:
 - Wichita Flea Market, October 16 & 17
 - The Commodores, November 5
 - National Finals Steer Roping, November 12 & 13
 - Wichita Flea Market, November 20 & 21
- Kansas Star Casino's COVID-19 precautions and the impact on staff and patrons

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Rick Skinner, Vice President & General Manager, reported:

- Admissions were up 35.1% compared to September 2020
- September 2021 revenue numbers compared to September 2020:
 - Total gross gaming revenue up 24.6%
 - Slot revenue up 23.6%
 - Table games revenue up 37.9%
 - Poker room remains closed but anticipates it will reopen after Thanksgiving.
- Recent/Upcoming Events and Promotions:

- Halloween Hi-Lo, October 1
- Too Much SlotPlay Punch, October 2
- Angola Giveaway, October 2, 9, & 16
- Hollywood Casino 400, October 22
- NASCAR Hollywood Casino, October 24
- Even/Odd Drawing, October 24
- \$25K App of Cash, October 29
- \$250K Halloween Pull Tabs, October 30
- \$25K Table Games Drawing, November 6
- Hollywood Casino's COVID-19 precautions and the impact on staff and patrons

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Jeff McKain, General Manager, reported:

- Admissions up 30.2% compared to September 2020
- September 2021 revenue numbers compared to September 2020:
 - Net slot revenue up 29.5%
 - Coin in up 26.6%
 - Table games drop up 51.1%
 - Net gaming revenue up 35.2%
- Events and Promotions:
 - September
 - Casino Hot Seats every Monday & Thursday
 - Retail promotion on Monday the 6th with free hot dogs, party cups and t-shirts
 - Point Multiplier Kiosk games every Tuesday
 - Camp 49 Hot Seats and lunch specials every Wednesday
 - Casino Hot Seats every Thursday
 - Smash and Grab promotion every Friday
 - Bank Buster Progressive drawing on Friday the 24th
 - Lorrie Morgan concert Saturday the 4th
 - Steven Adler concert Saturday the 25th
 - Casino Gift Day every Saturday
 - Kiosk games Sunday the 5th, 12th, 19th and 26th
 - October
 - Casino Hot Seats every Monday & Thursday
 - Point Multiplier Kiosk games every Tuesday
 - Camp 49 Hot Seats and lunch specials every Wednesday
 - Casino Hot Seats every Thursday
 - Hidden Millions promotion every Friday

- Bank Buster Progressive drawing on Friday the 29th
- Clash at the Crossing 3 (Boxing and MMA) Saturday, October 2nd
- Reckless Kelly concert Saturday, October 23rd
- Casino Gift Day every Saturday
- Kansas Crossing Casino's COVID-19 precautions and the impact on staff and patrons

COMMISSION ITEMS –
OLD BUSINESS
(F.1)

There was no old business.

COMMISSION ITEMS –
NEW BUSINESS
(G.1.)

John C. Frieden, Frieden & Forbes, LLP presented a proposed Sale and Purchase Agreement for Preferred Membership Interest Units in BHCMC, L.L.C. and related transactions involving Butler National Service Corporation, BHC Investment Company, L.C., BHCRR, L.L.C., Academy Bank, N.A. and BHCMC, L.L.C.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1 and I.2)

Judith Taylor, General Counsel, reported on the Voluntary Exclusion Program statistics for the month of September 2021.

Executive Director Brownlee had no new information to report beyond what was previously reported by facility managers and staff. He confirmed the next meeting would be held on November 12, 2021.

Chairman Moses confirmed with Commissioner Kultala that she would be unable to attend the November 12th commission meeting. All other commissioners confirmed they are available to meet.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE;
CONFIDENTIAL FACILITY
MANAGER FINANCIAL
INFORMATION
(J.1.)

Commissioner Jones (Kultala) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division, reviewing confidential facility manager financial information, conducting a confidential review and discussion of the BHCMC, L.L.C. debt transaction approval request, and consulting with the agency's attorney on attorney-client privileged communications. In addition to the commissioners, the attorney-client privileged communications and

confidential facility manager financial information portions included the executive director and general counsel. The confidential background reports portion included the executive director, general counsel, director of security, Regional Security Manager D.J. Lopez, and Enforcement Agent Darin Altenburg. The confidential review and discussion of the BHCMC, L.L.C. debt transaction approval request included the executive director, general counsel, and Government Relations Manager Todd Allen. The total time for the executive session was anticipated to be two hours until 11:40 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 5-0 and the meeting was adjourned to executive session at 9:40 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 11:44 a.m. with Chairman Moses, Commissioner Jones, Commissioner Myres, Commissioner Turnquist and Commissioner Kultala present.

MOTIONS ON LICENSE
APPLICATIONS
(J.3)

Commissioner Jones (Myres) moved to *deny two* license applications, *conditionally approve one* license application, *conditionally approve one* request for reconsideration, *table one* license application, and *approve the remaining 201* license applications from the October 15, 2021, list of background reports referred to the commission for action. The motion carried 5-0.

MOTION FOR APPROVAL
OF BHCMC
TRANSACTION
(J.4)

Commissioner Kultala (Turnquist) moved to approve the Sale and Purchase Agreement for Preferred Membership Interest Units in BHCMC, L.L.C. and related transactions involving Butler National Service Corporation, BHC Investment Company, L.C., BHCRRE, L.L.C., Academy Bank, N.A. and BHCMC, L.L.C. The motion carried 5-0.

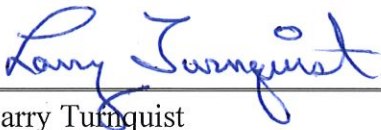
There were no other items for discussion or motion.

ADJOURNMENT
(K.)

Chairman Moses stated that the November 12, 2021 commission meeting will begin at 9:30 a.m. if virtual, or at 10:00 a.m. if the meeting is held in person.

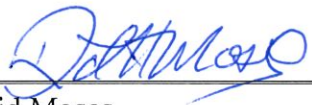
Commissioner Myres (Jones) moved to adjourn the meeting. Motion passed 5-0. The meeting was adjourned at 11:50 a.m.

SUBMITTED BY:



Larry Turnquist
Secretary

APPROVED BY:



David Moses
Chairman